

### **ATTACHMENT #3**

#### **PERSONAL SERVICE AND EXPENSE AND EQUIPMENT FLEXIBILITY**

Flexibility is very helpful in achieving the results desired by the Governor, the General Assembly, and Missouri citizens. The General Assembly approved limited flexibility in the Fiscal Year 2008 budget. Agencies interested in increased flexibility should work closely with Budget and Planning to develop clearly articulated rationale and justification for this request. Agencies should use the Excel form and process described below for requesting budget flexibility. Please also provide to Budget and Planning a comprehensive list of all flexibility requests with your October 1 budget submission (electronic is acceptable).

Flexibility must be requested each year, even if approved in the prior year. Therefore, agencies must complete the Flexibility Request Form to justify and seek approval to continue any flexibility that was received for Fiscal Year 2008 and to request any new flexibility. Separate appropriation numbers will be assigned to personal service appropriations and to expense and equipment appropriations in case the flexibility is not approved. If the flexibility is approved, agencies may transfer authority between the appropriations upon approval from the Division of Budget and Planning. For example, if 20 percent flexibility is allowed between personal services and expense and equipment, up to 20 percent of the personal service appropriation may be transferred and used for expense and equipment. Or, up to 20 percent of the expense and equipment appropriation may be transferred and used for personal services. Agencies should reallocate funds between existing personal service appropriations and expense and equipment appropriations to reflect anticipated FY 2009 expenditures in case flexibility for the two appropriations is not approved.

#### **Documentation and Presentation Requirements**

1. Agencies must complete the Flexibility Request Form to document the request and provide justification. The Flexibility Request Form should be placed behind the associated Core Decision Form in the agency's budget submission.
2. Agencies must publicly present the request to the House Appropriations Committee, House Budget Committee, and Senate Appropriations Committee as part of their budget presentation.
3. The House Budget Committee and Senate Appropriations Committee must approve any request directing staff to write appropriations bills with flexibility.
4. If flexibility is approved, agencies are required to submit a quarterly report to the Chair of the Budget Committee, the Chair of the appropriate House Appropriations Committee, the Chair of the Senate Appropriations Committee, and their Budget and Planning analyst on how the flexibility has been used during the quarter. The quarterly reports are to be submitted no later than 15 calendar days after the close of the given quarter even if the agency has not used any flexibility during that quarter.
5. Flexibility decisions are for a single appropriation year. Extensions may be approved on a year by year basis with proper justification and approval of the General Assembly.

## FLEXIBILITY REQUEST FORM

<b>BUDGET UNIT NUMBER:</b>  <b>BUDGET UNIT NAME:</b>	<b>DEPARTMENT:</b>  <b>DIVISION:</b>	
<b>1. Provide the dollar amount by fund of personal service flexibility and the amount by fund of expense and equipment flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed. If flexibility is being requested among divisions, provide the amount by fund of flexibility you are requesting in dollar and percentage terms and explain why the flexibility is needed.</b>		
<b>DEPARTMENT REQUEST</b>		
<b>2. Estimate how much flexibility will be used for the budget year. How much flexibility was used in the Prior Year Budget and the Current Year Budget? Please specify the amount</b>		
<b>PRIOR YEAR ACTUAL AMOUNT OF FLEXIBILITY USED</b>	<b>CURRENT YEAR ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED</b>	<b>BUDGET REQUEST ESTIMATED AMOUNT OF FLEXIBILITY THAT WILL BE USED</b>
<b>3. Please explain how flexibility was used in the prior and/or current years.</b>		
<b>PRIOR YEAR EXPLAIN ACTUAL USE</b>	<b>CURRENT YEAR EXPLAIN PLANNED USE</b>	